

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the goal is that the cost of expenses, including both operations and capital, are financed or recovered primarily through user related charges. Capital purchases are not budgeted as expenses; in accordance with Generally Accepted Accounting Principles, they are depreciated over the useful life of the asset. Individual operations which the City of Annapolis has designated as Enterprise Funds include the Water, Sewer, Off Street Parking, Dock, Market, Transportation, Stormwater Management and Refuse Funds.

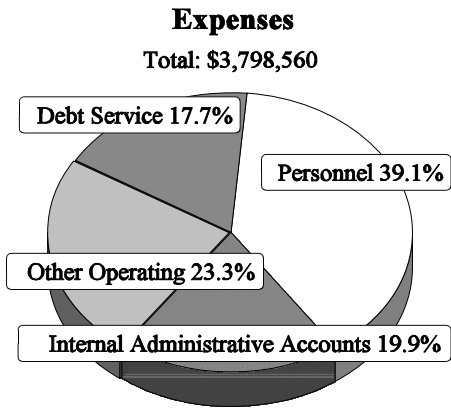
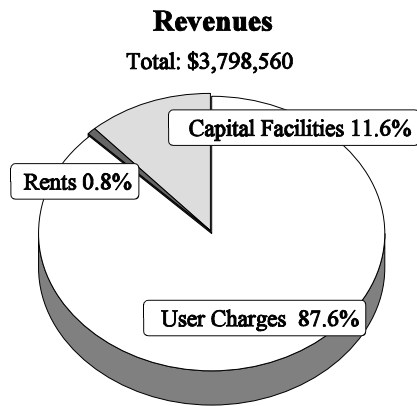
The City's goal is for enterprise funds to establish rates which provide for self-sufficiency.

All funds are summarized on the pages that follow.

Enterprise Funds

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Water Fund FY 2005 Adopted Budget



The Water Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's water plant and water distribution system. The fund's primary source of revenue is from user charges levied on water customers. Another primary source of revenue is the capital facility assessment; this is the fee charged to customers for maintenance of the City's water system. It is billed to the property owner over a period of thirty years and is used solely for water system improvements.

The Water Fund consists of two divisions: Water Plant and Water Distribution. The Water Plant is responsible for the production, treatment, testing, storage, and initial distribution of all potable water for customers of the City. The Water Distribution division is responsible for meter reading and operating, maintaining and repairing the City's 125 mile water distribution system, including service lines, water meters and fire hydrants.

Enterprise Funds

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<i>Water Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Water Charges	\$3,617,640	\$3,601,320	\$3,640,000	1.07%
Rents and Concessions	70,240	33,600	33,600	0.00%
Adjustment for Non-Operating Revenue	(52,560)	(296,310)	(355,040)	19.82%
Capital Facilities	588,780	444,300	480,000	8.04%
Other	110,990	0	0	N/A
Total Revenues	\$4,335,090	\$3,782,910	\$3,798,560	0.41%

<i>Water Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$1,457,680	\$1,456,200	\$1,484,010	1.91%
Other Operating Expenses	859,960	910,010	885,910	-2.65%
Debt Service	628,410	800,200	671,840	-16.04%
Internal Administrative Accounts	556,970	616,500	756,800	22.76%
Capital Outlays	90,490	0	0	N/A
Total Expenses	\$3,593,510	\$3,782,910	\$3,798,560	0.41%

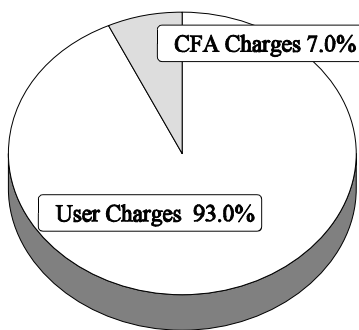
Enterprise Funds

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Sewer Fund FY 2005 Adopted Budget

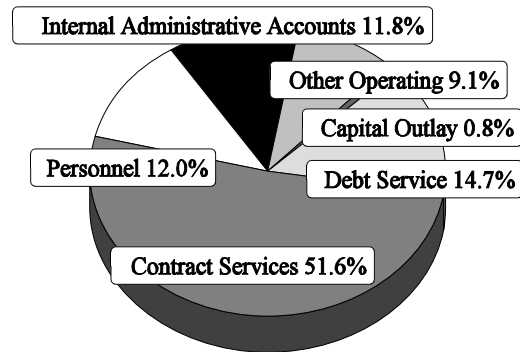
Revenues

Total: \$5,020,720



Expenses

Total: \$5,020,720



The Sewer Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's sewage collection and treatment program. The fund's primary source of revenue is from user charges levied on sewer system customers. Another primary source of revenue is the capital facility assessment; this is the fee charged to customers for maintenance of the City's sewer system. It is billed to the property owner over a period of thirty years and is used solely for sewage conveyance system improvements.

The Sewer Fund consists of two divisions: Sewer Plant and Sewer Collection. The Sewer Plant accounts for the City's share of operating expenses for the treatment of all wastewater generated by City customers and certain Anne Arundel County customers at the Annapolis Wastewater Treatment Plant, which is owned jointly by Annapolis and Anne Arundel County. The Sewer Collection division is responsible for operating, maintaining and repairing the City's 125 mile sewage conveyance system, including twenty-four pumping stations.

Enterprise Funds

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<i>Sewer Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Sewer Charges	\$5,108,420	\$4,896,580	\$4,950,000	1.09%
Adjustment for Non-Operating Revenue	1,040	(131,860)	(303,880)	130.46%
Capital Facilities	550,460	339,600	374,600	10.31%
Other	85,930	0	0	N/A
Total Revenues	\$5,745,850	\$5,104,320	\$5,020,720	-1.64%

<i>Sewer Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$571,010	\$758,560	\$602,510	-20.57%
Contract services	2,250,150	2,575,990	2,590,990	0.58%
Other Operating Expenses	457,060	467,950	458,220	-2.08%
Debt Service	660,570	797,820	738,970	-7.38%
Internal Administrative Accounts	564,590	306,000	590,030	92.82%
Capital Outlays	45,000	198,000	40,000	-79.80%
Total Expenses	\$4,548,380	\$5,104,320	\$5,020,720	-1.64%

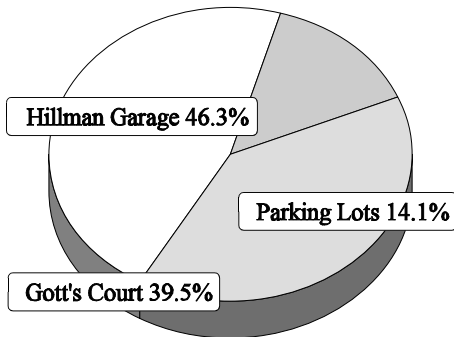
Enterprise Funds

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Off Street Parking Fund FY 2005 Adopted Budget

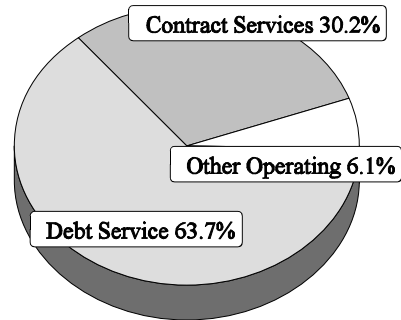
Revenues

Total: \$2,122,800



Expenses

Total: \$1,437,410



The Off Street Parking Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's Municipal Off Street Parking facilities. These parking facilities include three parking garages (Hillman Garage, Gott's Court Garage and Knighton Garage ,expected to open Fall 2004) and two parking lots (Larkin and South Street). This fund is totally self-supporting, producing an annual surplus. The fund's primary source of revenue is from parking fees generated by the parking garages. Together, Hillman Garage, Gott's Court Garage and Knighton Garage parking fees account for about 86% of the fund's revenue.

The City maintains a contractual agreement with a parking management company for the day-to-day operations of all parking facilities; 38.7% of total costs are for professional services as opposed to personnel costs.

Enterprise Funds

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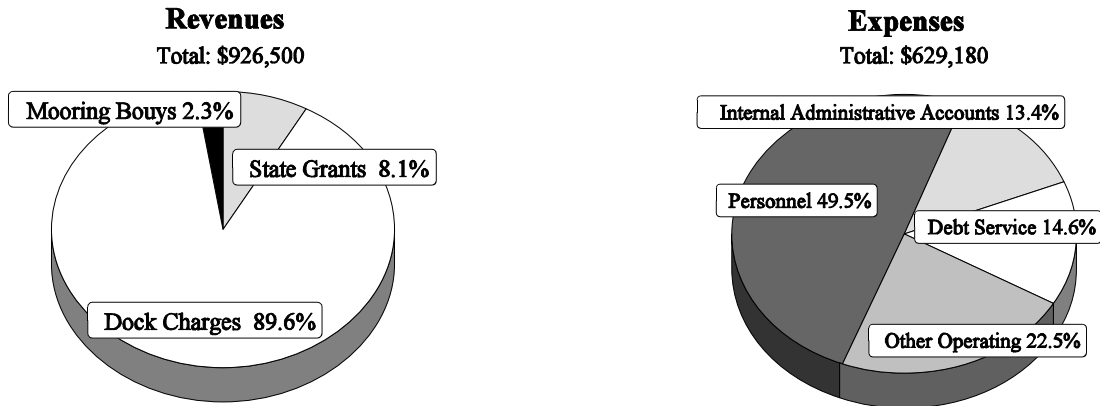
<i>Off Street Parking Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Off Street Parking Charges	\$1,945,770	\$2,050,000	\$2,122,800	3.55%
Interest Earnings	176,860	0	0	N/A
Other	70	(44,310)	0	-100.00%
Total Revenues	\$2,122,700	\$2,005,690	\$2,122,800	5.84%

<i>Off Street Parking Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Contract Services	\$519,620	\$538,000	\$555,000	3.16%
Other Operating Expenses	96,380	120,470	111,870	-7.14%
Debt Service	752,830	1,185,240	1,168,850	-1.38%
Internal Administrative Accounts	(201,760)	(138,020)	(398,310)	188.59%
Subsidies & Transfer to CIP	105,000	0	0	N/A
Total Expenses	\$1,272,070	\$1,705,690	\$1,437,410	-15.73%

Enterprise Funds

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Dock Fund FY 2005 Adopted Budget



The Dock Fund is an enterprise fund used to account for all financial activity associated with the management and control of the City's waterways, including slips and mooring buoys, showers and restrooms for boaters, sewage pump-out facilities for boaters, and maintenance of the City Dock area. This fund is totally self-supporting, generating an annual surplus. The Dock Fund's primary source of revenue is from slip charges. These are fees charged for mooring at a City Dock boat slip, based on the number of hours that the boat stays in the slip.

Enterprise Funds

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<i>Dock Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
State Operating Grants	\$102,150	\$55,000	\$75,000	36.36%
Dock Charges	757,320	821,500	851,500	3.65%
Total Revenues	\$859,470	\$876,500	\$926,500	5.70%

<i>Dock Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$308,240	\$309,220	\$311,620	0.78%
Other Operating Expenses	225,750	140,640	141,660	0.73%
Debt Service	127,190	93,490	91,720	-1.89%
Internal Administrative Accounts	27,820	128,070	84,180	-34.27%
Total Expenses	\$689,000	\$671,420	\$629,180	-6.29%

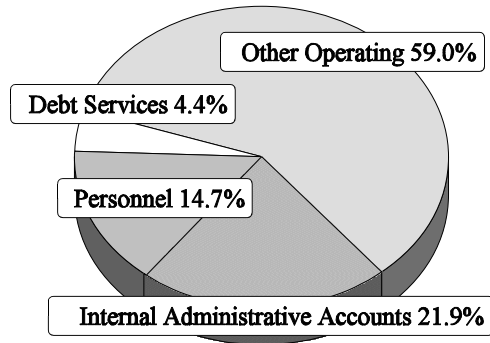
Enterprise Funds

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Market Fund FY 2005 Adopted Budget

Expenses

Total: \$102,000



The Market House Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's Market House, an enclosed pavilion housing vendors who sell a wide variety of carry-out, affordable foods and beverages. This fund is totally self-supporting. The fund's revenue is from rent paid by the vendors. Primary expenses are electricity and repairs and maintenance.

Enterprise Funds

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<i>Market Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Market Charges	\$110,450	\$116,770	\$102,000	-12.65%
Total Revenues	\$110,450	\$116,770	\$102,000	-12.65%

<i>Market Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$13,470	\$15,000	\$15,000	0.00%
Other Operating	44,010	65,230	60,230	-7.67%
Debt Service	6,590	4,470	4,460	-0.22%
Internal Administrative Accounts	20,400	32,070	22,310	-30.43%
Total Expenses	\$84,470	\$116,770	\$102,000	-12.65%

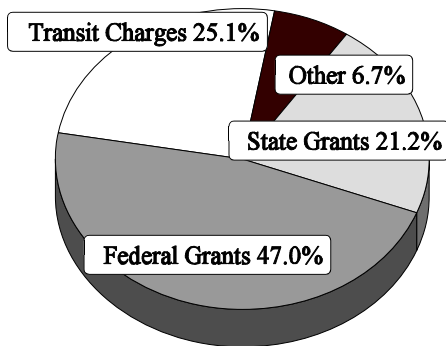
Enterprise Funds

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Transportation Fund FY 2005 Adopted Budget

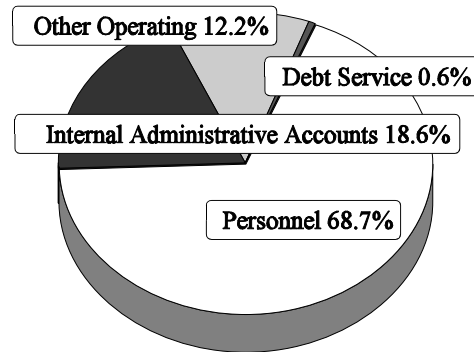
Revenues

Total: \$3,150,000



Expenses

Total: \$3,888,030



The Transportation Fund is an enterprise fund used to account for all financial activity associated with the operation and maintenance of the City's public transportation system. This fund usually operates at a significant deficit which is offset by subsidies from other funds. The fund's primary source of revenue is from transit charges. Federal and State Grants also account for a large portion of revenues.

The Transportation Fund consists of three divisions: Administration, Transit Operations, and Maintenance. The Administration division is responsible for operational planning and service management, grants management, and taxi and pedicab licensing and regulation. The Transit Operations division is responsible for operating an effective and efficient public transit system in accordance with all state and federal regulations. The Maintenance division is responsible for the repair and maintenance of all service and support vehicles, facilities and equipment.

Enterprise Funds

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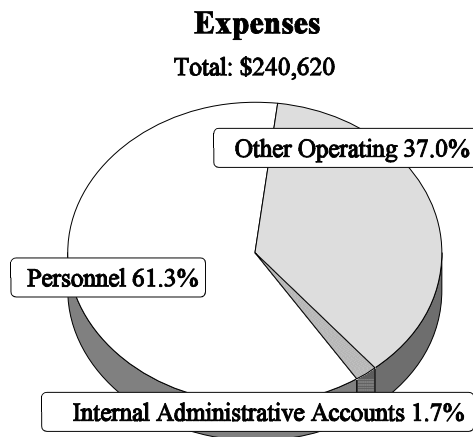
<i>Transportation Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Federal Operating and Capital Grants	\$1,051,700	\$1,481,000	\$1,481,000	0.00%
State Operating and Capital Grants	892,890	869,000	669,000	-23.02%
County Operating and Capital Grants	18,420	0	0	N/A
Transportation Charges	782,010	790,000	790,000	0.00%
Capital Contributions	151,750	0	0	N/A
Other	437,270	158,000	210,000	0.00%
Total Revenues	\$3,334,040	\$3,298,000	\$3,150,000	-4.49%

<i>Transportation Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$2,637,350	\$2,521,510	\$2,669,530	5.87%
Other Operating Expenses	892,630	475,350	458,880	-3.46%
Debt Service	27,690	23,690	22,060	-6.88%
Internal Administrative Accounts	457,120	706,460	722,560	2.28%
Capital Outlays	83,880	0	15,000	N/A
Total Expenses	\$4,098,670	\$3,727,010	\$3,888,030	4.32%

Enterprise Funds

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Stormwater Management Fund FY 2005 Adopted Budget



The Stormwater Management Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's storm water facilities. This fund is totally self-supporting. The fund's primary source of revenue is a utility charge levied on water customers. Revenues generated directly support the Storm Water Utility. Additional work such as upgrading of existing storm drain systems, development of drainage basin studies, water quality improvements, administrative costs and construction of major Capital Improvements are required under the Clean Water Act.

Enterprise Funds

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<i>Stormwater Management Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Stormwater Charges	\$0	\$0	\$240,620	N/A
Total Revenues	\$0	\$0	\$240,620	N/A

<i>Stormwater Management Fund Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$0	\$0	\$147,520	N/A
Other Operating Expenses	0	0	89,000	N/A
Internal Administrative Accounts	0	0	4,100	N/A
Total Expenses	\$0	\$0	\$240,620	N/A

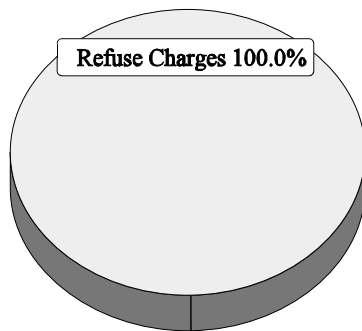
Enterprise Funds

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Refuse Fund FY 2005 Adopted Budget

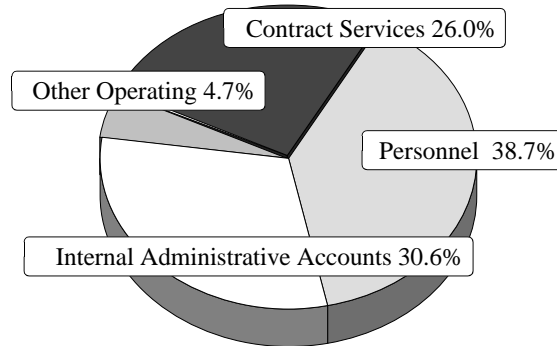
Revenues

Total: \$2,410,000



Expenses

Total: \$2,654,680



The Refuse Fund is an enterprise fund used to account for all financial activity associated with the operation of the City's residential refuse, yard waste, recycling, and bulk disposal systems. This fund is self supporting, through refuse charges paid by residential customers. The Fund's primary expense, aside from personnel costs, is the landfill tipping fee paid to the County for the disposal of residential and bulk refuse. Another significant expense is the contract service cost incurred for curbside recycling.

The Refuse Fund consists of three divisions: Residential Refuse, Yard Waste Recycling and Curbside Recycling. The Residential Refuse division is responsible for the collection and transportation of solid waste from participating residential households to a disposal site. Residential refuse pickup is twice per week. The Yard Waste Recycling division is responsible for the bi-weekly collection of yard waste from participating residential households. Collected yard waste is ground into mulch which is available to the public free of charge. The Curbside Recycling division is responsible for the curbside collection from participating residential households of bottles, cans, plastic and newspapers, cardboard, and mixed paper (junk mail, advertisements, magazines, etc.), and the hiring of the contractor to perform these services.

Enterprise Funds

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<i>Refuse Fund Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Refuse Collection Charges - Residential	\$2,329,950	\$2,399,000	\$2,410,000	0.46%
Other	0	2,000	0	-100.00%
Total Revenues	\$2,329,950	\$2,401,000	\$2,410,000	0.37%

<i>Refuse Expenses</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$834,730	\$1,051,200	\$1,027,040	-2.30%
Contract Services	276,510	649,880	689,750	6.14%
Other Operating Expenses	518,060	126,510	125,330	-0.93%
Internal Administrative Accounts	679,100	649,660	812,560	25.07%
Capital Outlay	33,080	0	0	N/A
Total Expenses	\$2,341,480	\$2,477,250	\$2,654,680	7.16%

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. Included in the special revenue fund is the Community Development Block Grant.

Community Development Block Grant

The Community Development Block Grant (CDBG) Fund is a special revenue fund supported by grant of Federal funds from the U.S. Department of Housing and Urban Development. This grant is made available to the City for affordable housing, homelessness, and community and economic development activities. The Housing and Community Development division of the Department of Planning and Zoning is responsible for planning, organizing and implementing the CDBG program. The division's services, goals and objectives are presented in the *Planning and Zoning* section of this document.

<i>CDBG Revenues</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
CDBG Block Grant	\$749,310	\$424,000	\$414,000	-2.36%
Total Revenues	\$749,310	\$424,000	\$414,000	-2.36%

<i>CDBG Expenditures</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2004 Adopted</i>	<i>Percent Change</i>
Operating Expenditures	625,050	358,580	309,000	-13.83%
Capital Expenditures	124,260	65,420	105,000	60.50%
Total Expenses	\$749,310	\$424,000	\$414,000	-2.36%

The amount of the grant made available to the City for fiscal year 2005 is expected to be \$414,000. The adopted amount for the operating portion of the grant is \$309,000 and \$105,000 for Capital Expenditures.

Debt Service Fund

Debt Service Fund Summary:

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds as they are expected to be repaid from proprietary fund revenues. In addition, general obligation bonds have been issued to refund general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

General Obligation Bonds:

As of June 30, 2004, the City had five general obligation bond issues outstanding, as described below:

1. *Public Improvement Bonds, 1994 Refunding Series* - These \$7,445,000 bonds were issued on March 15, 1994, with a twenty year term. The bond proceeds were used for the refunding of all or part of two Public Improvement Bonds: \$3,105,000 of the 1986 Public Improvements Bond, and \$1,815,000 of the 1988 Public Improvements Bond. The remaining \$2,525,000 of bond proceeds have been used to finance the cost of improvements to the Annapolis Wastewater Treatment Plant and the Belmont Sewage Pumping Station.
2. *Public Improvement Bonds of 1995* - These \$5,655,000 bonds were issued on April 1, 1995, with a twenty year term. The bond proceeds have been used to offset the costs of various public projects, including the reconstruction of Main Street and improvement to the Annapolis Wastewater Treatment Plant.
3. *Public Improvement and Refunding Bonds, Series 1998* - These \$19,215,000 bonds were issued on June 3, 1998, with a twenty year term. The bond proceeds were used for the refunding of all or part of three General Obligation Bonds: \$5,405,000 of the 1987 Public Refunding Bond, \$1,235,000 of the 1988 Public Improvement Bond, and \$3,885,000 of the 1991 Public Improvement Bond. The remainder of the bond proceeds were used to finance the cost of improvements to the Hillman Parking Garage, Gateway Circle, General Sewer Rehabilitation, City Dock Reconstruction, and the Stanton Center.
4. *Public Improvement Bonds of 2002* - These \$20,885,000 bonds were issued on December 1, 2002, with a fifteen year term. The bond proceeds have been used to purchase a new fire ladder truck, fund various public projects, including improvements to the Water and Wastewater systems, streets and a parking garage.
5. *Public Improvement Refunding Bonds of 2003* - These \$7,690,000 bonds were issued on June 26, 2003, with a twelve year term. The bond proceeds were used for the refunding of a part of the 1993, 1994, and 1995 series bonds.

Debt Service Fund

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Loans:

As of June 30, 2004 the City had two loans outstanding, as described below:

1. *State of Maryland - MICRF Loan* - This \$250,000 loan was used to finance the purchase of the McNasby property, a seafood processing plant with historic significance.
2. *State of Maryland Water Quality Loan* - This \$1,570,795 loan was used to finance the costs of improvements to the Annapolis Wastewater Treatment Plant.

Long Term Debt Summary:

The following is a list of the bonds, notes, and capital leases included in the City's long-term debt at June 30, 2004:

General Long Term Debt

<i>Description</i>	<i>Year of Issuance</i>	<i>Outstanding Principal</i>	<i>Interest Rate</i>	<i>Year of Final Maturity</i>
<i>Bonds</i>				
Public Improvement & Refunding	1994	1,175,000	3.30 - 5.90%	2014
Public Improvement	1995	159,460	4.80 - 6.80%	2015
Public Improvement & Refunding	1998	5,847,910	4.40 - 5.00%	2017
Public Improvement	2002	8,914,730	2.50 - 5.00%	2018
Public Improvement Refunding	2003	\$3,571,240	2.65%	2015
	Total	\$19,668,340		
<i>Loans</i>				
MICRF - McNasby	1989	\$157,810	0.00%	2005
	Total	\$157,810		
	Grand Total	\$19,826,150		

Debt Service Fund

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Enterprise Long Term Debt

<i>Description</i>	<i>Year of Issuance</i>	<i>Outstanding Principal</i>	<i>Interest Rate</i>	<i>Year of Final Maturity</i>
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Bonds

Public Improvement & Refunding	1994	825,000	3.30 - 5.90%	2014
Public Improvement	1995	100,540	4.80 - 6.80%	2015
Public Improvement & Refunding	1998	5,547,090	4.40 - 5.00%	2017
Public Improvement	2002	10,575,270	2.50 - 5.00%	2018
Public Improvement Refunding	2003	\$4,118,760	2.65%	2015
	Total	\$21,166,660		

Loans

Water Quality Loan	1993	\$999,830	3.25%	2015
	Total	\$999,830		

Grand Total	\$22,166,490
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Debt Service Fund

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Debt Service Principal and Interest Payments:

The tables below list the principal and interest payments for General Obligation Bonds and Loans for fiscal years 2003, 2004, and 2005.

<i>General Obligation Bonds</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Principal	\$2,825,000	\$3,635,000	\$3,635,000	0.00%
Interest	1,520,850	1,902,300	1,587,300	-16.56%
Total General Obligation Bonds	\$4,345,850	\$5,537,300	\$5,222,300	-5.69%

Loans

Principal	\$78,540	\$80,900	\$234,880	190.33%
Interest	37,240	34,920	32,490	-6.96%
Total Loans	\$115,780	\$115,820	\$267,370	130.85%

<i>Debt Service Summary</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Total Principal	\$2,903,540	\$3,715,900	\$3,869,880	4.14%
Total Interest	1,558,090	1,937,220	1,619,790	-16.39%
Total Debt Service	\$4,461,630	\$5,653,120	\$5,489,670	-2.89%

Debt Service Fund

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The table below lists principal and interest payments for General Obligation Bonds, Loans, and Capital Leases, by fund, for FY 2005.

<i>Fund</i>	<i>General Obligation Bond Principal</i>	<i>General Obligation Bond Interest</i>	<i>Loan Principal</i>	<i>Loan Interest</i>	<i>Total Principal Payments</i>	<i>Total Interest Payments</i>
General	\$1,870,190	\$769,000	\$157,810	\$0	\$2,028,000	\$769,000
Water	451,410	220,430	0	0	451,410	220,430
Sewer	453,280	170,900	77,070	32,490	530,350	203,390
Off Street Parking	776,740	392,110	0	0	776,740	392,110
Dock	64,560	27,160	0	0	64,560	27,160
Market	3,070	1,390	0	0	3,070	1,390
Transportation	15,750	6,310	0	0	15,750	6,310
Stormwater Mgmt.	0	0	0	0	0	0
Refuse	0	0	0	0	0	0
Total	\$3,635,000	\$1,587,300	\$234,880	\$32,490	\$3,869,880	\$1,619,790
					\$5,489,670	

Debt Service Fund

- continued -

Debt Service Requirements to Maturity

General Obligation Bonds

Fiscal Years 2005 - 2021

<i>Fiscal Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2005	3,635,000	1,587,300	5,222,300
2006	3,475,000	1,454,080	4,929,080
2007	3,710,000	1,292,810	5,002,810
2008	3,355,000	1,167,350	4,522,350
2009	3,425,000	1,023,270	4,448,270
2010	3,035,000	910,600	3,945,600
2011	3,100,000	794,060	3,894,060
2012	3,170,000	674,560	3,844,560
2013	2,720,000	560,460	3,280,460
2014	2,765,000	459,040	3,224,040
2015	2,535,000	355,450	2,890,450
2016	1,940,000	255,410	2,195,410
2017	1,970,000	168,360	2,138,360
2018	2,000,000	77,800	2,077,800
2019	0	0	0
2020	0	0	0
2021	0	0	0
Total	\$40,835,000	\$10,780,550	\$51,615,550

Debt Service Fund

- continued -

Legal Debt Margin:

The City Charter limits the aggregate amount of bonds and other indebtedness, with certain exceptions, to 10% of the assessable base of the City, which includes real and personal property. For FY 2005, the debt margin of the City is as follows:

Assessed Value for FY 2005	<u>\$3,566,000,000</u>
Debt Limit: 10% of assessed value	356,600,000
Debt Subject to Limitation	<u>30,218,750</u>
Legal Debt Margin	<u>\$326,381,250</u>
Ratio of city debt to assessable basis	0.85%

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the City has participated in Industrial Revenue Bonds for various projects within the City. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the City and, accordingly, they are not included in general long-term debt.

Debt Service as a Share of Expenditures:

The City's budgeted debt service of \$5,489,670 for FY 2005 is 9.55% of the \$57,525,690 FY 2005 total expenditure budget. \$2,797,000 of this debt service amount is General Fund debt service, which is equal to 7.04% of total General Fund budgeted expenditures of \$39,754,490.

Comparison of Full Time Equivalent Positions by Fund FY 2003 to FY 2005

The following tables summarize the changes in permanent positions from FY 2003 to FY 2005 for all funds.

<i>Permanent Positions by Fund</i>	<i>FTE</i>		
	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>
General	429	427	428
Water	23	23	23
Sewer	7	10	7
Off Street Parking	0	0	0
Dock	3	3	3
Market	0	0	0
Transportation	42	47	47
Stormwater Management	0	0	3
Refuse	22	22	22
Special Revenue	0	0	0
Grand Total	526	532	533

Comparison of Full Time Equivalent Positions by Department FY 2003 to FY 2005

The following tables summarize the changes in permanent positions from FY 2003 to FY 2005 for all departments.

<i>Permanent Positions by Department</i>	<i>FTE</i>		
	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>
Mayor and Aldermen	15	14	14
Finance	26	27	27
Human Resources	7	7	7
Planning and Zoning	16	15	15
Central Services	5	5	5
Police	169	169	170
Fire	103	103	103
Neighborhood & Environ. Programs	0	20	20
Public Works	123	105	105
Recreation and Parks	20	20	20
Transportation	42	47	47
Grand Total	526	532	533

Summary of Position Changes FY 2004 to FY 2005

The following tables detail the changes in permanent positions from FY 2004 to FY 2005 for all departments.

<i>Permanent Positions by Department</i>	<i>FY 2004 Positions</i>	<i>Additions</i>	<i>Deletions</i>	<i>FY 2005 Positions</i>
Mayor and Aldermen	14	0	0	14
Finance	27	1	1	27
Human Resources	7	0	0	7
Planning and Zoning	15	0	0	15
Central Services	5	0	0	5
Police	169	1	0	170
Fire	103	0	0	103
Neighborhood & Environ. Programs	20	0	0	20
Public Works	105	0	0	105
Recreation and Parks	20	0	0	20
Transportation	47	0	0	47
Grand Total	532	2	1	533

* The one new permanent position is in the Finance Department for a MIT Engineer, which was a contractual position reclassified during FY 2004. A Information System Analyst position was moved from the Finance Department (MIT) to the Police Department.

Full Time Equivalent Summary FY 2005

The graph below indicates the percentage of total Permanent Full Time Equivalent Positions by department.

